



# Department of Justice

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## **DEPARTMENT OF JUSTICE WILL NOT CHALLENGE FORMATION OF CONSORTIUM OF COMMERCIAL INSURERS**

### ***Proposal Could Result in Greater Competition for Large Commercial Insurance Policies***

WASHINGTON — The Department of Justice announced today that it will not challenge a proposal by the Ivy Capital Group, LLC (Ivy) to form a consortium that will offer business insurance policies to large companies. The Department said that the formation and operation of the consortium is not likely to reduce competition and could offer a new competitive option for large commercial insurance policies.

Ivy has proposed forming Concepta Services LLC (Concepta) to offer large commercial insurance policies equal to or in excess of \$250 million, by consolidating the capacity of commercial insurers that lack the capacity individually to offer large commercial insurance policies.

The Department's position was stated in a business review letter from Deborah A. Garza, Acting Assistant Attorney General in charge of the Department's Antitrust Division, to counsel for Ivy. Ivy is a Delaware limited liability company, the investors of which are principals in an independent firm that provides management and financial consulting services to Fortune 500 companies.

"The formation of Concepta is not likely to reduce competition in the sale of large commercial insurance policies," said Garza. "To the contrary, Concepta may provide a competitive new option for those looking to purchase these types of policies."

Ivy proposed forming and operating Concepta as a consortium that would allow commercial insurers to combine their insurance capacity to jointly offer large commercial insurance policies. Membership in the consortium would be limited to those insurers who do not have the ability to offer such policies on their own. Ivy represented that the likely Concepta participants currently generate no more than five percent of the total premiums from the sale of large commercial insurance policies in the United States, and that they do so by pooling capacity with other insurers. Jointly offering large commercial insurance policies through Concepta could be more efficient for these insurers than their current methods of offering such policies, including the use of reinsurance.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division currently intends to challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Antitrust Documents Group of the Antitrust Division, U.S. Department of Justice, 450 Fifth Street, NW, Suite 1010, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file, unless a basis for their exclusion for reasons of confidentiality has been established under the Business Review Procedure.

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